

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS & ENERGY**

The Berkshire Gas Company

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DTE 02-19

THE ATTORNEY GENERAL'S SECOND SET OF INFORMATION REQUESTS

Please respond to these information requests using the instructions issued by the Attorney General in conjunction with the first set of information requests.

- AG-2-1 Refer to the Company's response to AG-1-2 and AG-1-3 (last page of the attachments). Please explain, in detail, the how the \$131,000 savings were generated and why the underlying transactions were not considered to be part of the BP alliance agreement transactions. Provide all supporting documentation regarding gas storage levels, pricing of storage withdrawals, and invoices for gas that generated the savings. Include all calculations, workpapers, assumptions and documentation supporting the calculation of the \$131,000 savings.
- AG-2-2 Refer to the Company's response to AG-1-3. Please provide the "optimization savings" details for the month of June 2001.
- AG-2-3 Refer to the Company's response to DTE 1-1. Please provide copies of all of the "detailed evaluations" of BP's performance including evaluations, analyses or reports comparing the results achieved under the alliance agreement and market pricing. Explain how the evaluations were performed and include all supporting data, calculations, workpapers, and assumptions.
- AG-2-4 Please provide a chronological listing of all charges and fees assessed by BP to Berkshire and all charges and fees assessed by BP to the other EE companies during the term of the original alliance agreement. Include copies of all invoices with dates paid, a description of each charge/fee and explain the basis for each with citations to appropriate agreements for the authority to assess the charges/fees.
- AG-2-5 Please provide all details of all transactions related to the Company's gas supply arrangement with BP for the period April 1, 2001 through March 31,

2002. Include all invoices with a summary showing monthly invoice amounts, quantities purchased and unit prices (identify separately fixed and variable price components). What is the maximum amount of gas that may be provided by BP for the term of the current gas supply contract and what are the pricing terms for that supply.

AG-2-6 Refer to the Company's response to DTE 1-6 and Ms. Zink's testimony, pp. 10-11. Describe in detail the individual contract terms and conditions, including pricing and cost/revenue allocations, differ from the original alliance agreement with BP. Include citations to specific sections in the contracts.

AG-2-7 Please provide copies of all Energy East affiliate agreements that are currently in effect. If these are amended agreements, provide the original agreements and all interim amendments.

AG-2-8 Refer to the Company's response to DTE 1-7. Will the Company seek to recover the cost of the daily gas supply planning services provided by its affiliates through the CGA? What was the test year cost for these types of services that was approved by the Department in the Company's most recent rate case? Provide all supporting documentation, workpapers, calculations and assumptions.

AG-2-9 Refer to the Company's response to DTE 1-8. Please provide a copy of the preliminary and the final audit report. Describe the audit report and review process. Explain what actions or activities the parties are taking as a result of the audit and how any related changes have been incorporated in formal agreements between the parties. Include citations to specific sections in the agreements.

AG-2-10 Refer to AG-1-3. Was the "guaranteed minimum payment/savings" specified in alliance contract with BP exceeded? If yes, what was the total amount of the savings and how much was allocated to each of the Energy East Companies, including Berkshire. If no, what was the amount of the "guaranteed minimum payment" and how much was allocated to each of the Energy East Companies, including Berkshire, and when were the payments received? Provide all supporting documentation, workpapers, calculations and assumptions.

AG-2-11 Refer to the Company's response to DTE 1-27. Please explain and define each column heading, clarify who is the seller and who is the buyer, explain the reason for and significance of the "Customer" designations, and explain whether the "Quantity" is the actual volume purchased or sold during the

month. Why are the transactions not reported for specific dates and times? Describe how the transaction data were entered into the “transaction book”, what other data were entered at the same time and how are the “transaction book” data verified and validated. Was the “transaction book” produced during discovery in this proceeding, the actual “transaction book” used by Energy East and its affiliates during the term of the Portfolio Optimization agreement approved in DTE 01-41, or was the “transaction book” prepared specifically for this proceeding?

- AG-2-12 Refer to the Company’s response to DTE 1-27. Please explain, in detail, how “savings” were determined based on the entries in the transaction book. Provide the “savings” calculations that correspond to each transaction appearing in the transaction book. Include all supporting workpapers, calculations and documentation.
- AG-2-13 Please provide the details of all capacity release transactions that the Company entered into each month during the period April 1, 2001 through March 31, 2002. Include the party’s name, the cost of the capacity to Berkshire, the price paid to Berkshire for the released capacity, the amount flowed through the CGA, the volume released and the term of each release, and indicate for each transaction whether it was a mandatory assignment of capacity. Do the current or prior BP contracts’ terms restrict the Company’s ability to release or sell its excess capacity? If yes, please describe the restrictions and provide citations to the controlling sections of the agreements.
- AG-2-14 Refer to Ms. Zink’s testimony, p. 7. Please explain what the specific differences would be in structuring an extension of the BP arrangement based on historic experience compared to an extension based on current market conditions.
- AG-2-15 Please provide a monthly listing of all gas supply contracts that were in effect during the period April 1, 2001 through March 31, 2002, indicate the actual amount of gas that was purchased under each contract each month and the amount paid each month under each contract (identify separately the fixed and variable price components and if the gas price is based on an index, identify the index and provide the value of the index for during each month). Include all supporting documentation, invoices, workpapers, calculations and assumptions.
- AG-2-16 How did Berkshire monitor its level of “savings” under the Portfolio Optimization agreement? Produce copies of all Berkshire, Energy East, Energy East affiliate and BP reports, memoranda, accounting or any other

documentation related to “savings” under the Portfolio Optimization agreement approved in DTE 01-41.